

OLL 83-2073

1 September 1983

## MEMORANDUM FOR THE RECORD

SUBJECT: Effect on New Employees Entering on Duty After  
31 December 1983 of Being Temporarily Covered by  
Both Social Security and Civil Service Retirement  
Systems

1. On 31 August 1983 Messrs. [redacted] and [redacted] of Liaison Division, and [redacted] of Legislation Division, both of the Office of Legislative Liaison, visited with Mr. James S. Cowen, Majority Special Counsel to the Subcommittee on Civil Service, Post Office, and General Services of the Senate Committee on Governmental Affairs. The principal purpose of the meeting was threefold: to introduce [redacted] to Mr. Cowen; to explain in general terms [redacted] personnel management liaison responsibilities; and to inquire into the status of legislation addressing potential dual retirement contributions for new employees hired on or after 1 January 1984 who, by law, will fall under both Social Security and Civil Service Retirement and Disability System coverage.

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2. Mr. Cowen says that he is Senator Ted Stevens (R., AK) principal staff officer for federal employee retirement programs. He apparently will play a very key role in supplemental retirement plan legislation that will be drafted, debated, and enacted during the next two years. Mr. Cowen's observations and judgments, therefore, would appear to warrant close scrutiny.

3. With respect to the dual coverage issue, Mr. Cowen provided me with a copy of a Comptroller General/Government Accounting Office (GAO) study, dated 31 August 1983, that addresses this issue in full detail complete with four proposed legislative solutions. This study is attached for your review. The GAO today forwarded this apparently comprehensive study to the two principal jurisdictional committees on the Hill, the House Committee on Post Office and Civil Service, and the Senate Committee on Governmental Affairs.

4. Mr. Cowen's assessment of the study is that it is an excellent one. His belief, and that of at least some of his Subcommittee staff, is that the Governmental Affairs Committee will select the third alternative--provide temporary Civil Service Retirement System coverage, for all new hires on or after 1 January 1984, for a period of two years, at no cost to new employees--and to attach it as a rider to the Omnibus Reconciliation Bill, to be effective in any case on 1 January 1984. He agrees with the GAO assessment that the new retirement system to supplement Social Security coverage, once enacted will, in all probability, be made retroactive to 1 January 1984. This means that new employees hired on or after that date would enjoy full supplemental retirement system benefits that are ultimately enacted, and would do so from the date of their original employment.

5. Mr. Cowen felt confident of his assessment that, regardless of the GAO alternative solution ultimately enacted, that new hires on or after 1 January 1984 will not be penalized, either for duplicative retirement contributions, or for lack of adequate retirement and disability coverage for themselves and any immediate family members during the interim between their date of hire and the effective date of legislation that will ultimately be enacted--circa 1 January 1986. If true, this is very good news for the Agency. Next week, I will contact the House Committee on Post Office and Civil Service and attempt to determine their reaction to and initial planning resulting from this GAO study.

6. My opinion is that this information is sufficiently encouraging that it should be communicated by Office of Personnel managers to Agency recruiting officers, including the Career Training Staff, for their immediate use in discussions with potential 1 January 1984 or subsequent new hires. While obviously not conclusive, it is my initial judgment that this will apply equally whether an employee ultimately is covered by a supplemental retirement plan that is structured to address CIARDS-type needs or one that is structured to address Civil Service-type needs, as both are presently structured.

7. Mr. Cowen also provided the Governmental Affairs Committee agenda on getting from the present to enacted legislation covering a new retirement system to supplement Social Security coverage. I will make this the subject of a separate Memorandum for the Record.

[redacted]  
Liaison Division  
Office of Legislative Liaison

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Attachment  
As Stated

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LD/OLL [redacted] (1 September 1983)

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